

Trade date	Settlement cycle	Settlement date
June 6 Tuesday.	4 day	June 12 Monday
June 7 Wednesday.	3 day	June 12 Monday

If the Commission determines to alter the exemptions currently provided in Rule 15c6-1, MCC may need to undertake additional rule amendments. It is intended that the proposed rule changes are to become effective on the same date as Commission Rule 15c6-1.

The proposed rule change is consistent with Section 17A of the Exchange Act in that it will facilitate the safeguarding of securities and funds which are in MCC's custody or control or for which MCC is responsible. The proposed rule change also is consistent with proposed Rule 15c6-1 which requires brokers or dealers to settle most securities transactions no later than the third business day after the date of the contract unless otherwise expressly agreed to by the parties at the time of the transaction.

B. Self-Regulatory Organization's Statement on Burden on Competition

MCC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others.

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which MCC consents, the Commission will:

(A) by order approve such proposed rule change or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the

Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of MCC. All submissions should refer to File No. SR-MCC-94-16 and should be submitted by February 17, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 95-2071 Filed 1-26-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35259; File Nos. SR-MCC-94-15 and SR-MSTC-94-18]

Self-Regulatory Organizations; Midwest Clearing Corporation and Midwest Securities Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Changes Eliminating MBS Clearing Corporation's Right to Collect Monies From the Participants Funds

January 20, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 8, 1994, Midwest Clearing Corporation ("MCC") and Midwest Securities Trust Company ("MSTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes (File Nos. SR-MCC-94-15 and SR-MSTC-94-18) as described in Items I, II, and III below, which items have been prepared primarily by MCC and MSTC. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

I. Self-Regulatory Organizations' Statement of the Terms of Substance of the Proposed Rule Changes

These rule changes amend Article IX, Rule 2, Section 3 of MCC's Rules and Article VI, Rule 2, Section 3 of MSTC's Rules to eliminate the right of MBS Clearing Corporation ("MBS") to collect monies, respectively, from the MCC Participants Fund and from the MSTC Participants Fund when an MCC or MSTC participant fails to discharge a liability to MBS.

II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In their filings with the Commission, MCC and MSTC included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments they received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. MCC and MSTC have prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

The purpose of the proposed changes is to eliminate the right of MBS to collect money from the MCC Participants Fund and from the MSTC Participants Fund when an MCC participant or an MSTC participant, respectively, fails to discharge a liability owed to MBS. MBS is no longer affiliated with MCC, MSTC or with the Chicago Stock Exchange ("CHX"), the parent corporation of both MCC and MSTC.² The proposed rule changes also amend Article II, Rule 3, Section 1 and Article IX, Rule 2, Section 3 of MCC's Rules and Article VI, Rule 2, Section 3 of MSTC's Rules to change references to the Midwest Stock Exchange to either CHX or the Exchange in order to reflect CHX's name change.

MCC and MSTC believe that the proposed rule changes are consistent with Section 17A of the Act³ in that they provide for the prompt and accurate clearance and settlement of securities transactions including the safeguarding of securities and funds related thereto.

² In August 1994, the CHX sold its interest in MBX to the participants of MBS and to the National Securities Clearing Corporation.

³ 15 U.S.C. § 78q-1 (1988).

¹ 15 U.S.C. § 78s(b)(1) (1988).

(B) Self-Regulatory Organizations' Statements on Burden on Competition

MCC and MSTC believe that the proposed rule changes will not place any burden on competition.

(C) Self-Regulatory Organizations' Statement on Comments on the Proposed Rule Changes Received From Members, Participants, or Others

MCC and MSTC have neither solicited nor received any written comments on the proposed rule changes.

III. Date of Effectiveness of the Proposed Rule Changes and Timing for Commission Action

The foregoing rule changes have become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁴ and subparagraph (e)(3) of Rule 19b-4 thereunder⁵ because they are concerned solely with the administration of the self-regulatory organizations. At any time within sixty days of the filing of such proposed rule changes, the Commission may summarily abrogate such rule changes if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the proposed rule changes between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal offices of MCC and MSTC. All submissions should refer to File Numbers SR-MCC-94-15 and SR-MSTC-94-18 and should be submitted by February 17, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-2072 Filed 1-26-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35257; International Series Release No. 776; File No. SR-NASD-94-55]

Self-Regulatory Organizations; National Association of Securities Dealers; Notice of Proposed Rule Change Relating to the Access of West Canada Clearing Corporation and Its Members to the Automated Confirmation Transaction Service

January 20, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 12, 1994, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by the NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The NASD proposes to amend its rule regarding the Automated Confirmation Transaction services ("ACT") to allow West Canada Clearing Corporation ("West Canada"), a nonmember of the NASD, and members of West Canada who are not members of the NASD to access this service. The NASD also proposes to amend the ACT rule to reflect that NASD members functioning as market makers in over-the-counter equity securities are also classified as ACT participants.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in

sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The NASD created and implemented the ACT system in response to problems experienced in the wake of the October 1987 market break and at the urging of the Commission to consider accelerating efforts to generate same day compared trades.² ACT has three primary features: (1) trade match process (*i.e.*, the comparison of trade information and the submission of locked-in trades for regular way settlement to clearing agencies on a trade date or next day ["T+1"] basis);³ (2) trade reporting for transactions in securities that are subject to real time trade reporting requirements; and (3) risk management features that provide firms with a centralized, automated environment for assessing market exposure during and after the trading day and that permit clearing firms to monitor and respond to the ongoing trading activities of their correspondents.⁴

Since its implementation, ACT has functioned as an effective and efficient

² For a description of ACT, refer to Securities Exchange Act Release Nos. 27229 (September 8, 1989), 54 FR 38484 [File No. SR-NASD-89-25] (order partially approving proposed rule change to permit ACT to be used by self-clearing firms) and 28583 (October 26, 1990), 55 FR 46120 [File No. SR-NASD-89-25] (order approving remainder of File SR-NASD-89-25 to permit ACT to be used by introducing and correspondent broker-dealers).

³ ACT uses three methods to lock-in trades: (1) trade-by-trade match, whereby both sides of the trade are reported to ACT and matched; (2) trade acceptance, whereby one side of the trade is reported to ACT and accepted by the contra-side; and (3) aggregate volume match, whereby ACT performs a batch-type comparison at the end of each day that aggregates previously unmatched trade reports to effect a match. (For example, two identical trade reports for 300 and 400 shares of the same security may be matched with a 700 share trade report.)

⁴ Among others, ACT has the following risk management capabilities. First, ACT can compute the dollar value of each trade report entered thereby allowing member firms to assess their market exposure during the trading day. Second, clearing firms can establish daily gross dollar thresholds for each correspondent's trading activity. If a correspondent reaches or exceeds the threshold, the clearing firm is so notified. Third, ACT alerts clearing firms when a correspondent reaches 70% or 100% of its daily gross dollar threshold. Fourth, ACT has a single trade limit that provides clearing firms with a 15 minute review period prior to becoming obligated to clear a trade of \$1,000,000 or more executed by one of its correspondents. Fifth, ACT has a super cap limit set at two times the gross dollar thresholds for purchases and sales but in no event less than \$1 million that provides clearing firms with a 15 minute review period prior to becoming obligated to clear a trade of \$200,000 or more executed by one of its correspondents once the limit is surpassed.

⁴ 15 U.S.C. 78s(b)(3)(A)(iii) (1988).

⁵ 17 CFR 240.19b-4(e)(3) (1994).

⁶ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. § 78s(b)(1) (1988).